

MAR 23 2005

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March 22, 2005

SETTLEMENT AGREEMENT

By Facsimile (517) 335-1935 and Overnight Mail

Charles D. Hackney
Assistant Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909

Re: Citland Ltd.

Dear Mr. Hackney:

This letter serves to memorialize our agreement regarding the above-referenced matter.

Citland, Ltd. ("Citland") agrees to settle the State of Michigan's claim against it under Michigan's laws governing tobacco companies that have elected not to join the Master Settlement Agreement ("NPM Laws") per the following terms: Citland will deposit the "Appropriate Deposit Amount" for 2003 Sales and provide deposit receipts establishing that it has deposited the Appropriate Escrow Amount into a qualified escrow account and sub-account for Michigan. The Appropriate Deposit Amount is \$237.84 if Page Distributing files an amended Schedule K reflecting return of one carton (200 cigarettes) of Boston brand cigarettes within 30 days of execution of this agreement. If Page Distribution does not file such Schedule K, the Appropriate Deposit Amount will be \$241.74 for 2003 sales.

Citland also agrees to pay a penalty and legal fees to Michigan in the amount of \$500. This payment shall be allocated as follows: \$237.84 as a penalty payment and \$262.16 as payment for legal fees. A cashier's check should be made payable to the State of Michigan as payment of this amount.

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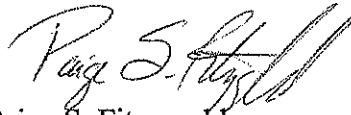
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All payments and escrow deposits required under this agreement shall be made within 30 days of the date of the last signature on this agreement. In return for the payments and escrow deposits required under this agreement, the State of Michigan agrees to immediately nonsuit the case that it has filed against Citland, currently pending in Ingham County Circuit Court in the State of Michigan.

If this letter accurately memorializes the agreement between the parties, an authorized representative of your office should execute this letter agreement and return it to the undersigned via facsimile and U.S. mail.

Sincerely yours,



Paige S. Fitzgerald
Tobacco Counsel to Citland, Ltd.

STATE OF MICHIGAN
OFFICE OF ATTORNEY GENERAL

By: Charles D. Hackney P14503
ASST. ATTY GEN.
Date: March 24, 2005